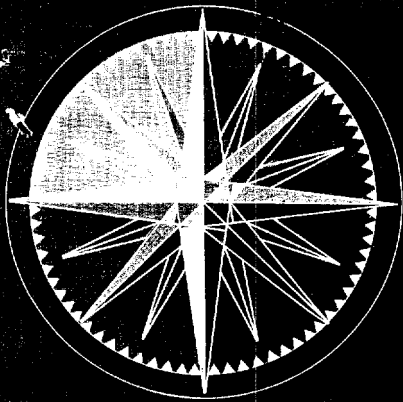


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Release 2006/04/13 : CIA-RDP79-00927A005500050002-7  
10 November 1966

OCI No. 0315/66A

Copy No. 47

## CURRENT INTELLIGENCE WEEKLY SPECIAL REPORT

REBEL RHODESIA A YEAR AFTER "INDEPENDENCE"

CENTRAL INTELLIGENCE AGENCY  
DIRECTORATE OF INTELLIGENCE

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**SECRET****REBEL RHODESIA A YEAR AFTER "INDEPENDENCE"**

Rhodesia's rebel white regime has survived for a year the voluntary international economic sanctions which London predicted last winter would defeat the rebels "within weeks." The country's economy is operating reasonably well, although at a somewhat lower level than before independence, and the government faces no serious threat from whites or from Africans inside or out of Rhodesia. Six months of "prenegotiation talks" between London and Salisbury have produced no optimism for a compromise settlement.

London's recent ultimatum to Salisbury to reach a settlement by the end of this year or face a British request for UN selective mandatory sanctions threatens to enlarge the Rhodesian problem to include South Africa and Portugal--the two countries through which Rhodesia has circumvented Britain's sanctions policy. African countries are expected to campaign for the extension of sanctions to South Africa in the likely event that Pretoria continues its "business as usual" policy toward Salisbury.

**British Sanctions Fail**

Britain's year-long failure to end the rebellion of Prime Minister Ian Smith's white supremacist regime and return Rhodesia to British sovereignty has discredited London in the estimation of several African and other nonwhite governments. African governments no longer believe that Britain will effectively safeguard the interests of Rhodesia's Africans in any settlement of the Rhodesian problem. They have been convinced for some time that Britain's consistent refusal to consider direct military intervention and its reliance instead on economic sanctions would fail to bring Smith down.

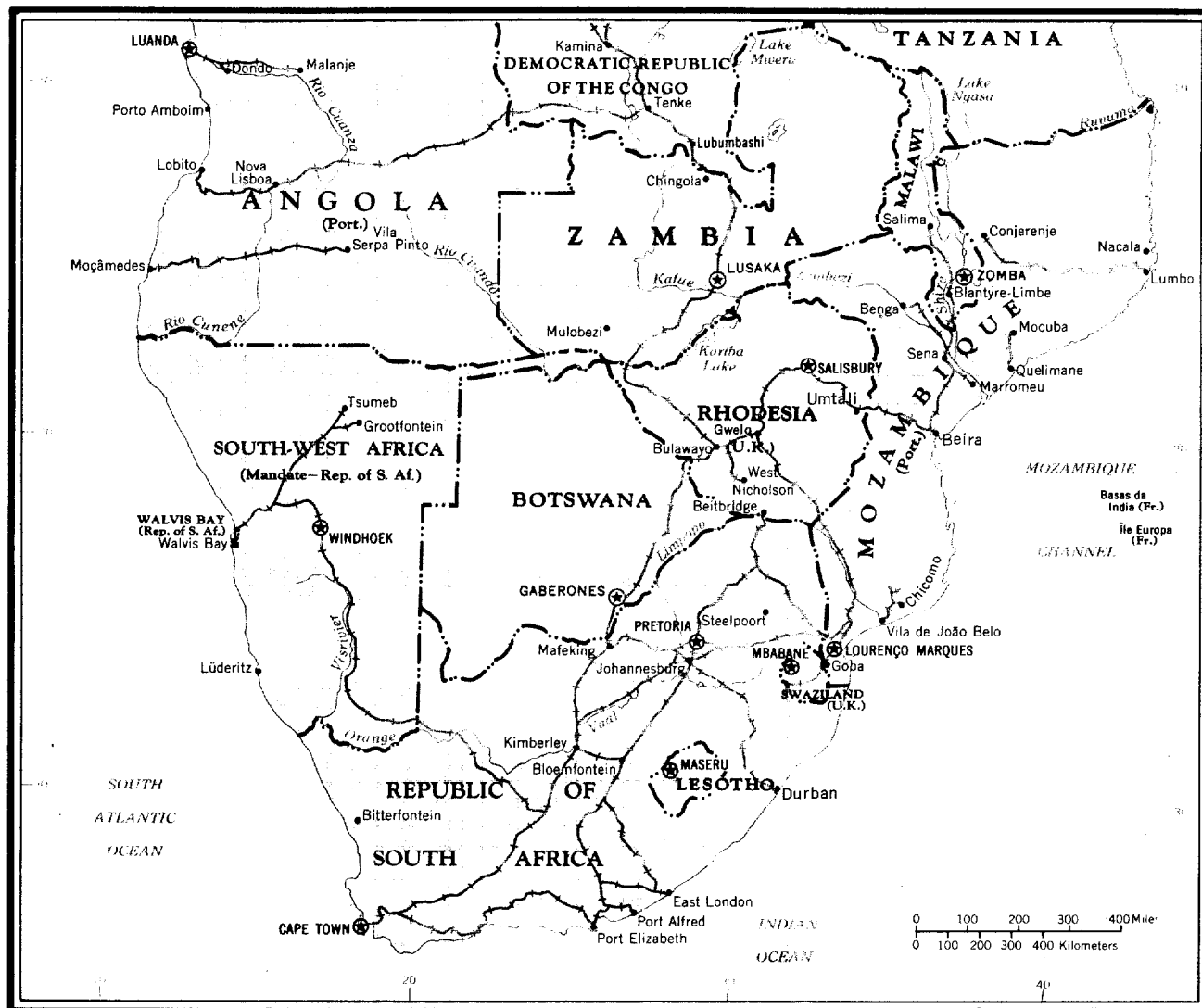
In particular they are disillusioned at London's refusal to move against South Africa, Rhodesia's main external prop. Most African governments probably realize it is unlikely that economically troubled Britain would force a major trading partner, South Africa, to comply with London's Rhodesia policy.

Consequently, the strategy of African governments apparently no longer is limited to pressing the UK to take stronger measures against Rhodesia. Now, they seem to want direct United Nations involvement.

Removing the Rhodesian problem from UK control to UN action

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# RHODESIA



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would increase the chances of entangling it with the larger and potentially more explosive problems of the whole southern Africa white redoubt. Britain so far has managed to avoid this. Should South Africa continue its trade with Rhodesia following a UN decision for mandatory sanctions, African governments would have a legal basis--which they hope will generate strong international support--for securing UN action against the Pretoria government.

#### The Economy

So long as Britain or the UN does not close Rhodesia's outlet to the sea through South Africa and Mozambique, the economic well-being and political security now enjoyed by Rhodesia seem likely to continue. A year of British-inspired sanctions has left Rhodesia's economy operating at a lower level of activity than before the rebellion but far from the collapse that Britain predicted would occur.

Exact figures for the economy are tightly held by the rebel regime, but it is clear that white unemployment is small, partly because of underemployment in some firms and absorption of many otherwise unemployed workers into the civil service and public works programs. There has been no substantial emigration of whites. African unemployment is higher, but the consequences are mitigated by the Africans' ability to return to subsistence agriculture.

The UK market has been largely closed to Rhodesian exports, but in most cases other arrangements seem to have been made. All of the country's metals and minerals are being sold in a high-demand world market.

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There are shortages in Rhodesia of some imported goods--particularly luxury items--but local manufacturers and South African sources are meeting most requirements.

The outstanding economic accomplishment has been Rhodesia's circumvention of petroleum sanctions which Britain thought last winter would defeat the rebel regime "within weeks." Rhodesia now is getting so much petroleum through South Africa and Mozambique that it has had to build new storage facilities.

There have been some economic difficulties.

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Some traditional tobacco markets are in danger of being lost for good. The automobile industry and related commerce has suffered

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from lower gasoline consumption related to the higher cost of gasoline imported through South Africa and Mozambique.

Above all, sanctions against Rhodesia's major export--tobacco--have probably held sales to about 40 percent of this year's crop. Nonetheless, government purchasing and loan guarantee programs have carried the farmers through this season and probably can be repeated for all but marginal farmers next season even if, as seems questionable, the sanctions still hold. Rhodesia's long run hope is that sanctions will ease with time.

In any event, the Rhodesian Government remains confident that the country can carry on without serious economic difficulty. Perhaps the greatest indication of its confidence has been its decision not to initiate major retaliatory economic measures against Britain through Zambia, over which it has a stranglehold. Notably, the rebel regime has not stopped Zambian copper shipments over the Rhodesian railroad in retaliation for Zambia's selective boycott.

#### Political Effects

Politically, sanctions have been even less effective. Prime Minister Smith's government now has greater support among the white community than was the case when independence was declared last November. The small minority of higher civil servants, judges, top military officers, university

teachers, businessmen, and clergy who were known to oppose Rhodesia's unilateral declaration of independence (UDI) are hardly heard from today.

Government censorship of the news media is only partly responsible for this. Anger at Britain (particularly at Prime Minister Wilson), the defensive reaction of a "frontier" people against what they consider an international "siege," sporadic terrorism by a few African militants, and the belief in success have all contributed to the absence of that white moderate opposition which Britain hoped would emerge and somehow displace the rebel regime. In fact, the only expressed white opposition to Smith's government has come from right-wing extremists within his own political party who charged at their recent annual congress that the leadership had "liberal tendencies."

Perhaps partly as a result of right-wing pressure, Smith's government recently has hardened its position in the series of "prenegotiation talks" with Britain begun last May. The government, for example, is no longer prepared to liberalize the racially discriminatory Land Apportionment Act as part of a compromise settlement with London.

Moreover, there is increasing sentiment within the white community to make the final break with Britain and declare Rhodesia a republic. Smith might do so if London carries out its threat to

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demand majority rule before legal independence and to request UN mandatory sanctions against Rhodesia if a settlement is not reached by the end of this year.

#### Africans Face Problems

The Smith regime has never faced a serious threat from Africans within the country or from outside. The two competing Rhodesian African nationalist groups began a very small campaign of sabotage and terror last summer using men trained in and armed from radical African and Communist countries. However, Rhodesian security forces have quickly and effectively dealt with each act of violence.

the first few months after "independence," Ghana's then-president Nkrumah and some other radicals pressed for an African military expedition, but professional soldiers within a special committee of the Organization of African Unity (OAU) took a more realistic view of the bleak possibilities for such action. Moreover, Zambia's President Kaunda, through whose country such an invasion would have to be staged, vetoed the idea. He preferred to have British troops do the job, but London refused. African governments concentrated their efforts on urging Britain into more forceful action. The OAU's decision to break relations with Britain over the issue last December was complied with by only nine states.

#### Zambia

Zambia has been the African state most affected by events in Rhodesia. Its dependence on its southern neighbor's coal and hydroelectric power for Zambia's copper production and on the railroad through Rhodesia for exporting copper and importing essential items makes Zambia extremely vulnerable to countermeasures from Rhodesia.

Africans in the rural areas of Rhodesia remain typically tranquil. Those in the towns have not been politically active since the first months of UDI when the few rioters and strikers were quieted with effective police action and threats of immediate loss of jobs.

African governments have been similarly powerless in their efforts against Rhodesia. During

Britain and, to a lesser extent, the US have tried to help Zambia develop alternate transportation routes, but that is a long-term, expensive project. Meanwhile, Zambian copper companies have had to cut production because of shortages of Rhodesian coal arising from political and transport difficulties associated with UDI. Moreover, petroleum

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stocks which were built up by a joint UK-US-Canada airlift earlier this year to offset losses from oil-sanctioned Rhodesia (normally Zambia's POL supply route) have reverted to precarious levels--about three weeks' supply--because of difficulties along the alternate supply routes hastily developed by the British and others.

Unless Zambia with foreign help can solve its critical coal and petroleum shortages, it will either have to resume higher levels of trade with Rhodesia or see its own economy deteriorate faster and worse than its southern neighbor's.

The Outlook

The next threat the Rhodesian regime faces is Britain's announced intention to seek from the UN selected mandatory sanctions against Rhodesia if a settlement is not reached before the end of 1966. As long as Britain sticks to its public terms for a settlement--including Rhodesia's return to British sovereignty before negotiations begin, approval of any settlement by Rhodesian Africans as well as whites, and guarantees for eventual majority rule--Smith's government is unlikely to give in.

Britain reportedly then would ask the UN to invoke mandatory sanctions on certain specified items, perhaps including oil shipments to Rhodesia--but via the Mozambique route only. Britain specifically has ruled out its support for UN action which would endanger its own important economic

ties with South Africa. London may hope that Pretoria will be sufficiently frightened by the UN precedent regarding Mozambique to cut off its oil shipments to Rhodesia voluntarily, or at least to press Smith to come to terms with Britain.

Otherwise, the UK seems to presume that its sponsorship of limited UN sanctions will buy it more time from black African governments which want Britain to take stronger measures against the Salisbury regime.

There is no reason to suspect, however, that South Africa's new Prime Minister Vorster will give in to this ploy any more than his predecessor, the late Hendrik Verwoerd, did last April when Britain got UN authority to blockade the Mozambique port of Beira against ships carrying oil for Rhodesia. Although Verwoerd apparently did encourage the Smith regime to open talks with Britain, he did not use his considerable influence in Salisbury to press for Smith's capitulation to London's terms. In fact, South Africa kept up its oil shipments, and provided other assistance to strengthen Salisbury's hand at the bargaining table. Moreover, once the question of mandatory sanctions against Rhodesia is introduced in the UN, many African governments probably will not accept Britain's attempt to limit UN action to Mozambique and will be eager to add a new item to their long-standing crusade against South Africa.

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